In The

Supreme Court of The United States

October Term, A. D. 1943.

Nos. 54-55 and 58-59.

THE MERCOID CORPORATION,
Petitioner,
vs.
MID-CONTINENT INVESTMENT COMPANY, ET AL.

THE MERCOID CORPORATION,
Petitioner,
vs.
MINNEAPOLIS-HONEYWELL REGULATOR COMPANY.

REPLY OF MINNEAPOLIS-HONEYWELL REGULATOR COMPANY TO THE BRIEF FILED BY THE SOLICITOR GENERAL AS AMICUS CURIAE.

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The Reason for This Brief.

After the parties filed their briefs, the Solicitor General filed the longest brief on behalf of the United States as *amicus curiae*.*

The Solicitor General has treated Cases 54, 55 and 58,59 (*Mercoid* v. *Mid-Continent et al.* and *Mercoid* v. *Minneapolis-Honeywell*) jointly and it is desired to call to this

*Br.—Solicitor General's Brief.

Court's attention that such treatment is apt to be misleading. For example, the brief of the Solicitor General does not mention the Eighth Circuit suit brought by Mid-Continent in which Honeywell had no part. However, the purpose of this brief is not to argue questions of fact which are already fully stated in the main briefs of Mid-Continent and Honeywell.

This brief is in answer to the Solicitor General's argument, now first made in these cases, that

Leeds & Catlin v. *Victor*, 213 U. S. 325,

should be overruled, and that the doctrine of contributory infringement should be abolished.

The Solicitor General's brief, on page 24, recognizes that the situation in *Leeds & Catlin* parallels the one present here before this Court. The Solicitor General's brief states

> "* * * Thus in *Leeds & Catlin* v. *Victor Talk. Mg.* (No. 2), 213 U. S. 325, the situation parallels that presented here, because a combination patent was involved. * * *"

The Solicitor General recognizes that respondent's position is similar to the patent owner in the *Leeds & Catlin* case. The Statement made by the Solicitor General could not have been made without definitely recognizing that the law of contributory infringement still stands, and that, under the facts of respondent's case, the petitioner here is a contributory infringer.

Before discussing the point, however, we refer to one statement in the Solicitor General's brief which should not be permitted to pass without comment.

The Solicitor General's statement that the accused device has a wide range of use outside the combination patent, is contrary to the finding of the Court of Appeals and contrary to the record.

I. *The Argument That Contributory Infringement Should Be Abolished Is Not Sound.*

The Solicitor General argues that the doctrine of contributory infringement should be abolished because it affords protection broader than the patent grant, is without sound reason and is unworkable (Br. 43).

As to the first ground, we submit that when properly applied as, for example, by this Court in the case of

Leeds & Catlin v. *Victor*, 213 U. S. 325;

and as applied by the Court of Appeals in the cases at bar, the doctrine

(a) fairly protects the patentee, and only in the invention of his grant, and
(b) affords to the patentee, under the law of torts, the same protection afforded the owners of other rights, and no more.

(1) *The doctrine of contributory infringement protects only the invention.*

We agree with the Solicitor General that the owner's patent grant is his

> "right to exclude others from the practice of his *invention*". (Br. 16.)

We argue that the doctrine of contributory infringement as applied in the *Leeds & Catlin* case, and as applied here, protects just that right.

When you stop the sale of the *essence* of the invention, you protect the invention of the grant.

That involves no more than a fair and reasonable protection of the patentee in his

> "right to exclude others from the practice of his invention."

Such protection does not go beyond the grant.

(2) *The doctrine of contributory infringement, affords to the patent owner the ordinary protection of the law of tort.*

The Solicitor General argues that the reason on which the doctrine of contributory infringement is based, is wrong. The Solicitor General seems to argue (p. 53) that the patentee should not be entitled to the protection of the law of tort. This part of the argument urges that the holder of the patent right be given less protection than the holder of other property.

We submit that *right to exclude others* is just as much entitled to protection against tortious taking, as is any other property. The effect of abolishing the doctrine of contributory infringement would be to deprive the patent owner of that protection which is afforded by the law of torts to the holders of other rights. It would mean that if Mercoid induces a wrong doer to steal the cabbage from a Victory garden, the owner of the garden would have a remedy for the tort, but if Mercoid induces a wrong doer to appropriate an invention, the patent owner should have no remedy under the law of tort. The Solicitor General would have this Court legislate to afford less protection against the stealing of inventions than against the stealing of cabbages.

In discussing this matter of the application of the law of torts, the Solicitor General's brief (p. 53) states:

> "All that he does is to supply an unpatented good which through the act of another is used in or with the patented invention."

This statement does not accurately reflect the situation here.

It ignores two important facts constituting part of the petitioner's conduct by which infringement is induced.

It ignores the undisputed fact that the "good" furnished by the petitioner is one which is specially adapted for infringing use so that in fact it goes into such use.

It also ignores the fact that when "he", being Mercoid, supplies the "unpatented good", he also supplies to the purchaser, a wiring diagram showing the purchaser how to use that "good" in infringing fashion.

In fact, Mercoid's conduct has been such as to make it certain that the purchaser of the "good" will use it in the infringing fashion. That part of Mercoid's conduct which the Solicitor General does not mention, is a part which naturally and ordinarily and regularly brings about infringement. So, when the Solicitor General says that *all* the accused does, is to supply an unpatented good, he does not accurately reflect the facts as shown by the record in the case at bar. It may be that when "all" the accused does is to furnish an "unpatented good", he does not violate the patent right. Such situation is easily met by a finding to that effect. But it should not be met by abolishing the law of torts as applied to patents, by a form of judicial legislation, which would deprive the patent owner of protection against forms of taking of the invention by the sale of less than the full combination, but coupled with other conduct such as is involved in Petitioner's conduct here.

We assert that we are dealing here with an ordinary tort. If that statement be true as we assert, it largely deflates the next point made by the Solicitor General, namely, that the intent of the contributory infringer should not be considered (Br. 54). The Solicitor General concedes that in tort, intent is "a useful standard of judgment" (Br. 54). Since we do have here a tort, it seems that intent is at least "a useful standard".

We submit therefore that there is in fact ample and sound reason for applying the law of torts to a violation of the right of the patent owner.

Finally, the Solicitor General urges that the doctrine of contributory infringement should be abolished because it is unworkable (Br. 55). He says it is unworkable because it imposes unreasonable caution against trespass upon the infringer. As to this, we submit that the long series of cases referred to by the Solicitor General's brief shows practically none in which the contributory infringer was innocent. In practically all cases he had notice of the patent before he was sued. In the actual working out of the administration of the doctrine heretofore, it does not appear that any impracticable burden has been imposed upon the contributory infringer.

The Solicitor General's second reason for saying that the doctrine is unworkable is that it enlarges the exclusive right of the patentee, and also abridges the rights of others (Br. 56).

As a matter of fact, that does not make the doctrine unworkable at all. That is the same old argument that the doctrine extends the rights of the patentee beyond the realm of a patent.

Third, the brief urges as a reason against the doctrine, that the "action" is a treacherous standard for the Courts to use (Br. 56).

It is no more treacherous than the standard the Courts have used for determining "invention", and on the whole the Courts have done a pretty good job with such a standard for more than one hundred years.

The Solicitor General's fourth point is the same as his second (Br. 56).

His fifth is that the "remote control thus recognized makes for a rigidity, which may be carried far in the national economy". The brief refers to no facts, no instances, and no records, and we deny the remote control and the rigidity.

In conclusion, in dealing with this argument for the abolition of the doctrine of contributory infringement, we respectfully submit that the doctrine should not be abolished, particularly by judicial action

(a) because it affords a doctrine which the Courts can reasonably apply to protect the patent owner, and

(b) because it is a fair application of the law of torts, without which the patent owner would have less protection than the owners of other rights and would have no remedy against the contributory infringer type of wrong doer.

Respectfully,

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Nov. 30, 1943.